

**CITY OF BISMARCK DEFERRED SICK LEAVE FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2005**

	August-05				July-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	FYTD	FY05	Ended	Ended
				Net ROR				Net ROR	Net	Net	6/30/2005	6/30/2005
											Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
Los Angeles Capital	16,613	2.3%	2.3%	-0.55%	16,710	2.3%	2.3%	4.33%	3.76%	7.56%	N/A	N/A
<b>Total Structured Growth</b>	<b>16,613</b>	<b>2.3%</b>	<b>2.3%</b>	<b>-0.55%</b>	<b>16,710</b>	<b>2.3%</b>	<b>2.3%</b>	<b>4.33%</b>	<b>3.76%</b>	<b>7.56%</b>	<b>7.46%</b>	<b>-9.18%</b>
<i>Russell 1000 Growth</i>				-1.29%				4.89%	3.54%	1.68%	7.26%	-10.36%
<i>Structured Value</i>												
LSV	16,786	2.3%	2.3%	-0.28%	16,846	2.3%	2.3%	4.05%	3.75%	18.35%	14.73%	14.78%
Russell 1000 Value				-0.43%				2.89%	2.45%	14.06%	11.00%	6.55%
<i>Russell 1000 Enhanced Index</i>												
LA Capital	32,990	4.6%	4.5%	0.27%	32,911	4.6%	4.5%	3.84%	4.13%	7.93%	N/A	N/A
Russell 1000				-0.87%				3.89%	2.99%	7.92%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>												
Westridge	32,394	4.5%	4.5%	-0.89%	32,701	4.6%	4.5%	3.75%	2.82%	6.58%	N/A	N/A
S&P 500				-0.91%				3.72%	2.77%	6.32%	N/A	N/A
<i>Index</i>												
State Street	10,735			-0.92%	10,834			3.70%	2.75%	6.27%	8.22%	-2.45%
<b>Total Index</b>	<b>10,735</b>	<b>1.5%</b>	<b>1.5%</b>	<b>-0.92%</b>	<b>10,834</b>	<b>1.5%</b>	<b>1.5%</b>	<b>3.70%</b>	<b>2.75%</b>	<b>6.27%</b>	<b>8.22%</b>	<b>-2.45%</b>
S&P 500				-0.91%				3.72%	2.77%	6.32%	8.28%	-2.37%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>109,519</b>	<b>15.1%</b>	<b>15.0%</b>	<b>-0.40%</b>	<b>110,003</b>	<b>15.3%</b>	<b>15.0%</b>	<b>3.91%</b>	<b>3.49%</b>	<b>8.89%</b>	<b>9.59%</b>	<b>-0.28%</b>
S&P 500				-0.91%				3.72%	2.77%	6.32%	8.28%	-2.37%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
SEI	37,953	5.2%	5.0%	-2.06%	38,917	5.4%	5.0%	6.87%	4.67%	9.32%	13.32%	N/A
Russell 2000 + 200bp				-1.69%				6.50%	4.71%	11.64%	15.07%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>37,953</b>	<b>5.2%</b>	<b>5.0%</b>	<b>-2.06%</b>	<b>38,917</b>	<b>5.4%</b>	<b>5.0%</b>	<b>6.87%</b>	<b>4.67%</b>	<b>9.32%</b>	<b>13.32%</b>	<b>5.50%</b>
Russell 2000				-1.85%				6.34%	4.36%	9.45%	12.81%	5.71%
<b>CONVERTIBLES</b>												
TCW	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Merrill Lynch All Convertibles				0.00%				0.00%	N/A	N/A	N/A	N/A
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Active</i>												
Capital Guardian	30,346	4.2%	4.0%	2.93%	29,556	4.1%	4.0%	3.78%	6.83%	10.32%	7.44%	-3.80%
LSV	30,385	4.2%	4.0%	1.56%	29,930	4.2%	4.0%	3.40%	5.02%	N/A	N/A	N/A
Transition Account	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>60,731</b>	<b>8.4%</b>	<b>8.0%</b>	<b>2.24%</b>	<b>59,486</b>	<b>8.3%</b>	<b>8.0%</b>	<b>3.59%</b>	<b>5.92%</b>	<b>13.23%</b>	<b>12.39%</b>	<b>7.26%</b>
MSCI EAFE - 50% Hedged				1.95%				3.40%	5.42%	14.41%	8.84%	-2.61%
<i>Small Cap - Value</i>												
Lazard	7,537	1.0%	1.0%	3.60%	7,273	1.0%	1.0%	3.90%	7.64%	18.18%	N/A	N/A
Citigroup Broad Market Index < \$2BN				3.00%				3.90%	7.02%	21.33%	N/A	N/A
<i>Small Cap - Growth</i>												
Vanguard	7,518	1.0%	1.0%	2.03%	7,369	1.0%	1.0%	4.53%	6.65%	24.11%	N/A	N/A
Citigroup Broad Market Index < \$2BN				3.00%				3.90%	7.02%	21.33%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>75,786</b>	<b>10.5%</b>	<b>10.0%</b>	<b>2.36%</b>	<b>74,128</b>	<b>10.3%</b>	<b>10.0%</b>	<b>3.71%</b>	<b>6.16%</b>	<b>15.34%</b>	<b>10.62%</b>	<b>-2.10%</b>
MSCI EAFE - 50% Hedged				1.95%				3.40%	5.42%	14.41%	8.84%	-2.61%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
Western Asset	159,231	22.0%	21.7%	1.16%	157,405	21.9%	21.7%	-0.52%	0.64%	7.14%	7.36%	8.59%
Lehman Aggregate				1.28%				-0.91%	0.36%	6.80%	5.75%	7.40%
<i>Index</i>												
Bank of ND	147,407	20.4%	21.7%	1.50%	145,152	20.2%	21.7%	-0.96%	0.54%	4.08%	5.66%	7.26%
Lehman Gov/Credit (1)				1.49%				-1.13%	0.35%	4.80%	5.82%	7.35%
<i>BBB Average Quality</i>												
Wells Capital (formerly Strong)	158,657	21.9%	21.7%	1.51%	156,358	21.8%	21.7%	-0.71%	0.79%	9.14%	9.20%	N/A
Lehman US Credit BAA				1.48%				-0.74%	0.74%	8.60%	9.42%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>465,295</b>	<b>64.2%</b>	<b>65.0%</b>	<b>0.00%</b>	<b>458,915</b>	<b>63.9%</b>	<b>65.0%</b>	<b>-0.72%</b>	<b>-0.72%</b>	<b>6.14%</b>	<b>6.59%</b>	<b>7.79%</b>
Lehman Gov/Credit				1.49%				-1.13%	0.35%	7.26%	6.41%	7.70%
<b>CASH EQUIVALENTS</b>												
Bank of ND	35,721	4.9%	5.0%	0.32%	35,949	5.0%	5.0%	0.29%	0.61%	2.46%	1.74%	2.68%
90 Day T-Bill				0.29%				0.23%	0.52%	2.15%	1.55%	2.62%
<b>TOTAL DEFERRED SICK LEAVE FUND</b>	<b>724,274</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.09%</b>	<b>717,912</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.86%</b>	<b>0.94%</b>	<b>6.61%</b>	<b>8.09%</b>	<b>4.89%</b>
POLICY TARGET BENCHMARK				0.95%				0.49%	1.45%	7.00%	7.45%	4.86%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.